Tamarack Allotment Social and Economics
&
Environmental Justice and Civil Rights Impacts
Current Condition and Effects Report

/s/Tim Collins 1/26/2016

1 AFFECTED ENVIRONMENT

1.1 SOCIAL AND ECONOMICS

The Tamarack Allotment is located on the Heppner Ranger District, Umatilla National Forest, in Grant Counties, Oregon. Changes in the levels of grazing use associated with this decision may impact social and economic characteristics in the surrounding area. There are approximately 15,000 acres of the Tamarack Allotment which lies within Grant County and approximately 4,500 acres of the Tamarack Allotment which lies within Wheeler County. Local surrounding communities are tied to the surrounding forests and are directly impacted by industries (timber, livestock and recreation) that are supported by the national forest The permittees that are permitted to have cattle on the Tamarack Allotment, will be the most directly or indirectly affected by the proposed action and alternatives.

This section will provide an overview of the current social and economic conditions found in the assessment area to provide the context of the effects analysis that address the purpose and need and the issues discussed in Chapter 1. It will also address the potential effects of the alternatives on the issues using the measure identified. The background and the effects analysis will help to inform the decision maker about potential social and economic trends and how these trends may affect management on the allotment and how management activities may affect social and economic conditions.

1.1.1 Population:

2014 Census information in rural counties in Oregon are displayed in contrast to a more populated county (Multnomah County) in Table 1. The term farm as defined in this table includes any property involved with the production of agriculture products including beef cattle, dairy, horse, crops, Christmas trees/timber, poultry etc.

Table 1. 2014 Census Information for Rural Oregon Counties

County	County Size (square miles)	Household Income	County Population	Private Non-Farm Employment	Percentage Farm Employment	Population per square mile
Multnomah	431	$52,512	776,712	390,372	50%	1704
Grant	4,528	$35,000	7,180	1,379	81%	1.6
Wheeler	1,714	$37,974	1,375	150	89%	.8
Morrow	2,031	$49,940	11,187	2,725	76%	5.5
Gillam	1,274	$44,743	1,932	755	61%	1.6
Malheur	9,887	$35,578	30,359	8,023	74%	3.2
Harney	10,123	$38,113	7,126	1,200	84%	.7
Lake	8,138	$33,611	7,838	1,163	86%	1.0

Oregon Population+ 3,979,239, Size of Oregon (Sq. Miles) = 95,988

Table 2: National Forest Land in Eastern Oregon

County	Acres	NF Acres	National Forests	BLM Acres		% NF
Grant	197,330,240	1,592,524	Malheur, Ochoco, Umatilla, Wallowa Whitman	83,787	Prineville BLM	.8
Wheeler	74,661,840	169,154	Umatilla, Ochoco	35,262	Prineville BLM	.2
Morrow	88,470,360	144,190	Umatilla	50,283	Prineville, Vale BLM	.1
Union	1,303,040	617,294	Umatilla, Wallowa Whitman			47

Table 3: Population Demographics for Race and Gender on General and Ranching Populations

Principal operators by primary occupation	Oregon State	Wheeler County	Grant County	Morrow County	Multnomah County
Farming	35,439	153	398	401	598
Land in Farms	16,301,578	649,086	654,410	1,165,126	29,983

1.1.2 Economic Conditions and Trends

Agricultural sector has been and will continue to be economically important in the state of Oregon. The gross income from farming enterprises in Oregon equaled $4.7 billion of which $1.1 billion came from the livestock sector in 2006. During the same period Morrow County's gross farming income realized $363 million, of which $162 million came from the livestock sector.

Ranching operations associated with the production of beef cattle use a variety of resources to feed and pasture these animals. Forage provided on National Forest System lands can provide an integral and important component to beef cattle production to local communities. The USDA Census of Agriculture 2007 reports farming activities by state and county. For the analysis a comparison was taken of farm operations in the State of Oregon and Morrow County. Table 4 identifies the total farms and average

farm size in the target area. It also displays farms associated with beef cattle production along with the number of livestock associated with these ranches and the number of livestock sold in 2007.

Table 4. Farms, Acreages and Beef Cattle Production and Sales for Oregon State and Morrow County

Indicator	Oregon	Morrow County
Number of All Farming Enterprises	38,553	421
Average Farm Size acres	425	2,623
Value of Cattle & Calves	1.4 billion	$137 million
Number Beef Cattle	1,389,189	117,893

1.2 TAMARACK ALLOTMENT ECONOMIC CONDITION

Forage from federally managed lands is important to ranchers in Morrow County with federal grazing permits. Forest allotments can be key elements of the total year-round ranch operations. They provide high quality forage for cow/calf herds at a time when home pastures are growing and being harvested for winter hay. The Tamarack Allotment is grazed by two permittees for generally four and one half months with 209 head[1].

The social and economic effects of the Tamarack Allotment provide a small but important contribution to the overall success of a beef cattle operation. Benefits from permitted grazing can be evaluated by both the potential income to the permittee and opportunities to employ individuals who will assist in the administration of the permit.

Revenues generated through this allotment can be roughly calculated by examining the number of livestock permitted and estimating the potential overall returns for these animals. Currently 209 head of cow calf pairs are permitted on National Forest System lands for about four and one half months. If all 209 cows have one calf and all 209 calves grow to maturity there is a potentially this will produce 209 head of livestock weighing approximately 700 pounds at 12 months of age (cattle are on the allotment for about 38% of these 12 months). In 2016 the average price for beef cattle was $206 per hundred weight (ctw). This would calculate from $1442 per beef cow sold or $300 thousand for the 209 head grazed on the allotment.

Additional employment is an important variable contributing to the economic stability of the region. The recommended employee effects from grazing the allotment were derived from a multiplier obtained from the IMPLAN (Impact Analysis for Planning) model for the Umatilla National Forest Impact zone. These IMPLAN coefficients for employment were used in the Final Environmental Impact Statement for the Umatilla Nationals Forest Land and Resource Management Plan. The direct

employment coefficient was 0.3 direct jobs 1,000 HM livestock[2]. There are 961[3] HM of use authorized on the allotment which would generate approximately five months work for a hired ranch hand[4].

Approximately 25% of grazing fees collected are returned from the U. S. Treasury to the local community for roads and schools.

2 EFFECTS ON SOCIAL AND ECONOMICS

This social and economic analysis evaluates the alternatives that would affect grazing related jobs and income, and those allotment improvements and changes in livestock management can affect costs to the permittees and the Forest Service. This analysis did not evaluate the costs of livestock transport, veterinary expenses, supplemental feed, employee payment, maintenance and upkeep of ranch property etc. To evaluate the effects of each alternative the analysis criteria describes the Tamarack Allotment Economic Conditions section for revenue and employment. The social and economic analysis focuses on the indicators which include the number of permitted head months (HM), the expected revenue for the number livestock grazed, value factored for the time spent on the allotment, changes in associated jobs, and change in cost to the permittees and to the agency. Table 3 displays these indicators by alternative. There would be no change in revenues or costs related to the action alternatives. All costs are averaged. They are relative and should be used for comparison, not as expected costs. They represent an example based on current costs that are being used to determine values between alternatives.

Table 5. Social and Economic Indicators by Alternative

Indicator	Alt 1	Alt 2	Alt 3
Number of Head	0	209	209
Head Months	0	954	954
Period on Allotment (expressed in Months)	0	4.56	4.6
Revenue for time livestock graze the allotment[5]	0	$300,000	$300,000
Months Employment[6]	0	3.5	3.5
Grazing Fees[7]	0	$1,269	$1,269

Number of head and head months from the EA; Period on Allotment = HM/number of head; Revenue for time livestock graze the allotment = number of head X $621 X (12 months / Period on allotment)

2.1 ALTERNATIVE 1 – NO GRAZING

2.1.1 Direct /Indirect Effects:

The National Forest System lands would not provide value/profitability to the current ranching operations associated with the Tamarack Allotment. No Livestock would be permitted on the Tamarack Allotment. This is a 100% reduction in value added on National Forest System lands. Additional and likely more expensive pasture or hay would be needed to maintain the livestock and likely lead to 1,297 fewer AUM's reducing the net farm income for local communities within the State of Oregon. There would be no added employment. No grazing fees would be collected for use in local communities or for National Forest System lands.

Cumulative Effects: Livestock would not be authorized on the Tamarack Allotment causing a loss in flexibility provided to the ranching operations. There would be no revenue collected through grazing fees reducing payments to roads and schools in local counties by $1,269 With the loss of AUM's there would be a proportionate loss of county, state, and federal tax revenue. Profitability for the permittee authorized on this allotment would be lost.

2.2 ALTERNATIVES 2/3 – ACTION ALTERNATIVES

Direct / Indirect Effects: This alternative provides the greatest economic return for the livestock industry within the State of Oregon. Currently the Tamarack Allotment is providing local, state and federal

[5] Calculations based on 12 month calf (700 lb) sold at auction (2016 average sale price of $206 ctw) would equal $1442 each.

[6] 0.3 of a year employee for every 1000 HM livestock grazed.

[7] Head Months (HMs) X 2015 grazing fee of $1.35

revenues for livestock grazed on the allotment. Current AUM's on the allotment produce approximately $300,000 through the sale of beef cattle. There is approximately 3.5-4 months of employment for 1-2 individual. The Forest Service will collect $1,269 in grazing fees annually provided to the U.S. Treasury.

Cumulative Effects: By continuing grazing on the Tamarack Allotment the associated income from livestock sales would provide proportionally @$300,000 of return to the involved ranching organizations This income is absent business expenses that are required to produce the livestock. Roughly 2/3's of this income is used to produce a profit depending on fixed costs within the individual ranching operations. Fix costs include but are not limited to animal care, fuel, insurance, equipment costs, land payments, interest on borrowed money, and living expenses etc. County, state, and federal tax revenue would continue to be collected for the production of livestock permitted on this allotment.